

**Department of Education & Early Development**  
**Impact Statements in Response to**  
**House Finance Subcommittee Budget Proposals**  
**Date: 3/25/03**  
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The House Finance Subcommittee budget proposal includes an increase of \$24,002,700 in general funds above the Governor's FY2004 proposed budget. The governor's budget fully funds K-12 education including \$20,000,000 for Learning Opportunity Grants which is a \$4,000,000 increase over the average of what has been appropriated outside the school funding formula over the last three fiscal years. The Governor's commitment to education represents 35 percent of the state's general fund operating budget.

In order to meet the Governor's specific objectives to reduce the amount of the draw on the constitutional budget reserve fund, the House Finance Subcommittee proposal will need to identify additional revenue streams, other cost saving measures, or specific reductions in other areas to accommodate this increase.

<b>Program:</b>	<b>Dollar</b>	<b>Fund</b>
Foundation Program	<b>Amount(s):</b>	<b>Source(s):</b>
	\$3,916,200	General Funds

**Impact Title:** Cost of Formula Funding for Underage Students

**Impact Analysis:**

The Governor introduced legislation, HB 154, to clarify the school age for students to generate funding. This change will result in a savings of \$3,916,200 and was included in the governor's proposed FY2004 budget. The House Finance Subcommittee reversed the transaction pending legislative action on the bill and the fiscal note.

<b>Program:</b>	<b>Dollar</b>	<b>Fund</b>
Foundation Program	<b>Amount(s):</b>	<b>Source(s):</b>
	\$9,340,900	General Funds

**Impact Title:** Increase funding outside the public school funding program

**Impact Analysis:**

The Governor's budget fully funds K-12 education including \$20,000,000 for Learning Opportunity Grants which is a \$4,000,000 increase over the average of what has been appropriated outside the school funding formula over the last three fiscal years. The Governor's commitment to education represents 35 percent of the state's general fund operating budget.

The House Finance Subcommittee proposal adds \$3,340,900 to bring the Learning Opportunity Grants to the FY03 level and adds back a one-time item for school programs and services in the amount of \$6,000,000.

<b>Program:</b>	<b>Dollar</b>	<b>Fund</b>
Pupil Transportation	<b>Amount(s):</b>	<b>Source(s):</b>
	\$10,745,600	General Funds

**Impact Title:** Increase Pupil Transportation Funding to FY03 Level

**Impact Analysis:**

The Governor's FY2004 budget proposal for Pupil Transportation is an effort to provide incentives for school districts to identify and execute efficiencies to reduce costs. The pupil transportation program has grown from \$25 million in FY90 to an estimate of \$58 million in FY2004, or a 136% increase. The state cannot continue to provide 100% reimbursement for costs that are accelerating at such a rapid rate. School districts will need to find better, more efficient ways to provide transportation services.

Pro-rating the available funding to the school districts at 80% of the FY03 level provides incentives for school districts to reduce costs.